

UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

Pignons S.A. de Mecanique v. Polaroid Corporation

217 U.S.P.Q. 513 (1st Cir. 1983) · No. No. 82-1527 · Decided February 28, 1983

SUMMARY

The First Circuit affirmed dismissal of Pignons S.A. de Mecanique's claims against Polaroid Corporation concerning allegedly false advertising under the Lanham Act and Massachusetts General Laws chapter 93A. The court held that collateral estoppel barred relitigation of whether Polaroid's similar advertising was likely to injure Pignons, because that issue had been fully litigated in the prior action and the newer advertisements and products were not materially different. The court also held that any other objections to summary judgment had been waived on appeal.

CASE DETAILS

COURT	United States Court of Appeals for the First Circuit
WRITING FOR THE COURT	Breyer; Coffin, Chief Judge; Breyer, Circuit Judge; Smith, Senior District Judge, sitting by designation
JURISDICTION	Federal
DECIDED	February 28, 1983
DOCKET	No. 82-1527
DISPOSITION	affirmed
PROCEDURAL POSTURE	Pignons appealed the district court's dismissal of its second complaint on res judicata grounds. The First Circuit considered whether collateral estoppel barred relitigation of an essential element of Pignons' false-advertising claim and whether Pignons waived challenges to summary judgment on its remaining claims.
STANDARD OF REVIEW	The court reviewed the district court's determination that the new facts were not materially different from the old facts and reviewed the preclusion and waiver issues on appeal.
PRECEDENTIAL VALUE	published and precedential First Circuit opinion
PARTIES	Pignons S.A. de Mecanique, Pignons S.A. de Mecanique de Precision v. Polaroid Corporation

TOPICS

trademark law

civil procedure

res judicata

appellate procedure

commercial litigation

PRACTICE AREAS

intellectual property

civil procedure

appellate procedure

commercial litigation

QUESTIONS PRESENTED

1. Whether collateral estoppel barred Pignons from relitigating the likelihood-of-injury element of its Lanham Act false-advertising claim based on allegedly new advertisements and products.
2. Whether Pignons could avoid issue preclusion by presenting new theories, evidence, and arguments that could have been presented in the prior action.
3. Whether Pignons waived objections to summary judgment on its remaining claims by failing to raise them in its initial appellate brief.

HOLDINGS

1. Because the prior judgment determined, after Pignons had a fair opportunity to litigate, that Pignons had not established a likelihood of damage from Polaroid's allegedly false claims, and because the later advertisements and products were not materially different, collateral estoppel barred Pignons from relitigating whether similar advertising was likely to injure it.
2. A party that had a fair opportunity to litigate an issue may not reopen it merely by offering new theories, evidence, or arguments that could have been presented in the first action.
3. Pignons waived any objection to summary judgment on its remaining claims by failing to raise the objection in its initial appellate brief.

KEY QUOTATIONS

"Whether the holding was right or wrong, it definitely states that Pignons did not make out one essential element of its claim after a fair opportunity to do so." (701 F.2d at 2)

"The law requires the courts to offer Pignons nothing more, for collateral estoppel implements 'the principle that one opportunity to litigate an issue fully and fairly is enough.'" (701 F.2d at 3)

"Once a plaintiff has had a chance to prove a fact, he cannot reopen the matter simply by stating that he wishes to introduce more or better evidence." (701 F.2d at 3)

FACTUAL BACKGROUND

Pignons alleged that Polaroid's advertising concerning the quality of SX-70 film falsely described or represented Polaroid's goods and injured Pignons' camera business. In the prior litigation, Pignons failed to demonstrate a likelihood of damage or evidence that Polaroid's color-quality claims could cause prospective purchasers of Pignons' camera to switch to Polaroid. Pignons' later complaint relied on post-1980 advertisements and offered new theories, evidence, and arguments, but the district court found the new advertisements and products not materially different from those previously litigated.

PROCEDURAL HISTORY

In the prior action, Pignons asserted claims including trademark infringement, false advertising, and unfair competition, and the district court granted summary judgment for Polaroid; the First Circuit affirmed in Pignons I. Pignons then filed a second complaint repeating false-advertising claims based partly on advertisements placed after the earlier amended complaint. The district court dismissed the new complaint after finding that the new facts were not materially different from the old facts, and the First Circuit affirmed.

DISPOSITION

affirmed

CASES CITED

- Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 493 (1st Cir. 1981)
- Lawlor v. National Screen Service Corp., 349 U.S. 322, 326-28 (1955)
- Walsh v. International Longshoremen's Association, 630 F.2d 864, 873 (1st Cir. 1980)
- Becher v. Contoure Laboratories, Inc., 279 U.S. 388, 390-92 (1929)
- Lyons v. Westinghouse Electric Corp., 222 F.2d 184, 188 (2d Cir. 1955)
- Continental Can Co. v. Marshall, 603 F.2d 590, 594, 596 (7th Cir. 1979)
- Grip-Pak, Inc. v. Illinois Tool Works, Inc., 694 F.2d 466, 469-70 (7th Cir. 1982)
- James Talcott, Inc. v. Allahabad Bank, Ltd., 444 F.2d 451, 463 (5th Cir. 1971), cert. denied, 404 U.S. 940 (1971)
- Preservation Coalition, Inc. v. Pierce, 667 F.2d 851, 862 (9th Cir. 1981)

OPINION

BREYER, J.

701 F.2d 1 217 U.S.P.Q. 513 PIGNONS S.A. de MECANIQUE, et al., Plaintiffs, Appellants, v. POLAROID CORPORATION, Defendant, Appellee. No. 82-1527. United States Court of Appeals, First Circuit. Argued Dec. 8, 1982. Decided Feb. 28, 1983. Richard J. Birch, Boston, Mass., with whom Thompson, Birch, Gauthier & Samuels, Boston, Mass., was on brief, for plaintiffs, appellants.

William J. Cheeseman, Boston, Mass., with whom Laurence S. Fordham, Stephen P. Burgay, Jeffrey B. Abramson, and Foley, Hoag & Eliot, Boston, Mass., were on brief, for defendant, appellee. Before COFFIN, Chief Judge, BREYER, Circuit Judge, and SMITH,* Senior District Judge. BREYER, Circuit Judge. This matter is before us for the second time.

The first suit, Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482 (1st Cir. 1981) (Pignons I), concerned a complaint Pignons filed against Polaroid in February 1977 and a supplemental complaint that Pignons filed in March 1980.

In that case, we affirmed the district court's decision granting summary judgment for Polaroid on Pignons' various, factually complex, claims--claims that included allegations of trademark infringement, false advertising, and unfair competition.

In November 1981, Pignons filed another complaint, which repeated the false advertising claims it made in 1980, but which was based in part upon advertisements Polaroid had placed after the filing of the 1980 amended complaint.

The district court, finding that the facts involved were "not materially different," dismissed this new complaint on grounds of res judicata. Pignons appeals. We approach this appeal with knowledge of the record in the prior case, with recognition that the parties are represented by competent counsel, and with an awareness arising from the record that it is undesirable, if not unfair, to prolong these proceedings any more than necessary.

We therefore have sought expedition and brevity. The doctrine of res judicata, involving "claim preclusion," is a concept which we hesitate to apply in this case because of the ambiguities surrounding its applicability to situations of ongoing wrongful conduct. Compare *Lawlor v. National Screen Service Corp.*, 349 U.S. 322, 326-28, 75 S.Ct. 865, 867-68, 99 L.Ed.

1122 (1955) (res judicata does not bar suit based on acts occurring after previous suit for "essentially the same course of wrongful conduct") with *Walsh v. International Longshoremen's Association*, 630 F.2d 864, 873 (1st Cir.1980) (Lawlor limited to cases where "subsequent conduct was broader and more farreaching than the conduct which led to the original complaint").

Rather, we shall consider only whether "collateral estoppel," involving "issue preclusion," bars Pignons' new claim. Collateral estoppel may apply as validly to issues of fact as to issues of law. See, e.g., *Becher v. Contoure Laboratories, Inc.*, 279 U.S. 388, 390-92, 49 S.Ct. 356, 357, 73 L.Ed. 752 (1929) (Holmes, J.); *Lyons v. Westinghouse Electric Corp.*, 222 F.2d 184, 188 (2d Cir.1955) (L.

Hand, J.). We conclude that, given the district court's finding that the new "facts are not materially different" from the old facts, Polaroid must prevail. 1 Pignons' basic claim rests upon Sec. 43(a) of the Lanham Act, 15 U.S.C. Sec. 1125(a). That section makes it unlawful "falsely to describe or represent" goods in commerce, and gives a cause of action to "any person who believes that he is or is likely to be damaged by the use of any such false description or representation."

In *Pignons I* we considered whether Pignons could show that it was an injured party entitled to sue under the statute. We held that "Pignons has not... demonstrated that it can show any likelihood of damage from Polaroid's supposedly false claims concerning SX-70 film." *Pignons I*, 657 F.2d at 493.

Moreover, we stated that there was "no evidence in the record" to suggest that Polaroid's color quality claims--even if false--could "cause a prospective purchaser" of Pignons' camera to switch to Polaroid. *Id.* at 493.

Because of these factors, we affirmed the grant of summary judgment to Polaroid on the Lanham Act issue. Whether the holding was right or wrong, it definitely states that Pignons did not make out one essential element of its claim after a fair opportunity to do so.

Accordingly, it stands as a bar to any effort by Pignons to relitigate the issue of whether similar advertising by Polaroid is likely to injure it. 2 Pignons has sought to circumvent this bar in two ways. First, it argues that its complaint concerns new, post-1980 advertisements and products.

As a result, it claims, the factual issue of "likelihood of injury" is no longer the same issue. This argument, however, depends upon whether the new advertisements and products differ in any significant respect from the old.

The district court held that they do not and, after reviewing the record, we conclude that the finding is adequately supported. 3 Second, Pignons offers new theories, evidence, and arguments to prove that there is a likelihood of damage, of diversion of trade, and of competition between Pignons and Polaroid as to the quality of color reproduction. It is just this type of argument, however, that collateral estoppel bars Pignons from making.

Pignons had a fair opportunity to make these arguments and to introduce this evidence the first time. The law requires the courts to offer Pignons nothing more, for collateral estoppel implements "the principle that one opportunity to litigate an issue fully and fairly is enough." *Continental Can Co. v. Marshall*, 603 F.2d 590, 594 (7th Cir.1979). Once a plaintiff has had a chance to prove a fact, he cannot reopen the matter simply by stating that he wishes to introduce more or better evidence.

See *Grip-Pak, Inc. v. Illinois Tool Works, Inc.*, 694 F.2d 466, 469-70 (7th Cir.1982); *Continental Can Co. v. Marshall*, 603 F.2d at 596; *James Talcott, Inc. v. Allahabad Bank, Ltd.*, 444 F.2d 451, 463 (5th Cir.1971) ("To be sure, we recognize that whenever a court considers applying the doctrine of collateral estoppel, there is always a lingering question whether the party might have succeeded in proving his point if he had only been given a second chance at producing evidence.

Without more, however, this question is not sufficient to outweigh the extremely important policy underlying the doctrine of collateral estoppel--that litigation of issues at some point must come to an end."), cert. denied, 404 U.S. 940, 92 S.Ct. 280, 30 L.Ed.2d 253 (1971). 4 Summary judgment was also properly granted as to Pignons' remaining claims, including those under Mass.Gen.Laws Ann. ch. 93A Sec. 11.

If Pignons has any objection to summary judgment on those claims other than the argument just discussed, it failed to make that objection known in its initial brief on appeal. Accordingly, it has waived any such claim.

In preparing briefs and arguments, an appellee is entitled to rely on the content of an appellant's brief for the scope of the issues appealed, and appellant generally may not preserve a claim merely by referring to it in a reply brief or at oral argument. See *Preservation Coalition, Inc. v. Pierce*, 667 F.2d 851, 862 (9th Cir.1982); Fed.R.App.P. 28(a)(2); 9 Moore's Federal Practice p 228.02 [2.-1] at 28-7 (1980).

We see no reason here for deviating from the principle. The judgment below is 5 Affirmed. * Of the District of Montana, sitting by designation